

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF MISSISSIPPI**

IN RE: **SLABBED NEW MEDIA, LLC** **CASE NO.** **15-50963-KMS**
DEBTOR(S) **CHAPTER** **11**

**UNITED STATES TRUSTEE'S OBJECTION TO
DEBTOR'S SMALL BUSINESS DISCLOSURE STATEMENT AND
PLAN OF REORGANIZATION**

COMES NOW Henry G. Hobbs, Jr., Acting United States Trustee for Region 5 (“UST”), by and through undersigned counsel, and files this Objection to the Debtor’s Small Business Disclosure Statement (the “Disclosure Statement,” DKT. #73) and Plan of Reorganization (the “Plan,” DKT. #72), and in support thereof respectfully submits the following:

1. Under the Disclosure Statement and Plan, the Debtor states, “The unsecured creditors in this case will receive the net sales proceeds after payment of administrative and priority claims.”
2. However, the Debtor did not include any estimates or projections of what the Debtor’s “net sales proceeds” will be, so it is unclear how much unsecured claims will be paid. The UST requests additional explanation on how unsecured creditors will be paid under the Plan.
3. Under Article II, Part C, the “Assets” section of the Disclosure Statement, the Debtor states, “The Debtor is still investigating whether any other causes of action exist, and to the extent that these causes of action may exist in favor of the Debtor, the Debtor will pursue same and these claims and causes of action will be pursued post-confirmation.”
4. The UST requests more information on what, if any, additional causes of action the Debtor intends to pursue.

5. In the Disclosure Statement, under Article III, “Description of the Plan,” Part B, “Concept of the Plan,” the Debtor states, “there are claims of the Debtor to be pursued on its behalf.”

6. The UST requests a status update on what pending litigation, including but not limited to, the *Yount v. Handshoe* case and the claims involving Daniel Abel, that will likely be removed and/or pursued in the bankruptcy court.

7. In the Plan, the Debtor acknowledges the necessity to timely file and submit post-confirmation monthly operating reports. If the Court confirms the Debtor’s Plan, the UST requests that language be included in any confirmation order that the Debtor shall timely file with the Court and submit to the UST any and all remaining monthly operating reports (“MORs”) and all post-confirmation MORs in accordance with the UST’s *Chapter 11 Operating Guidelines and Reporting Requirements* (“OGRR-11”) up to and including the date of conversion, dismissal, or closing of the case.

8. In the Plan, the Debtor acknowledges the necessity to timely pay post-confirmation quarterly UST fees. If the Court confirms the Debtor’s Plan, the UST requests that language be included in any confirmation order that the Debtor shall timely pay to the UST the appropriate sum for quarterly UST fees required under 28 U.S.C. § 1930(a)(6) for each calendar quarter up to and including the calendar quarter containing the date of conversion, dismissal, or closing of the case.

9. The UST reserves the right to bring additional objections at any hearing on this matter.

WHEREFORE, PREMISES CONSIDERED, the United States Trustee prays that the Court deny the Debtor's Plan. The United States Trustee also prays for all general relief to which entitled in these premises.

RESPECTFULLY SUBMITTED, this the 25th day of May, 2016.

HENRY G. HOBBS, JR.
Acting United States Trustee
Region 5, Districts of
Louisiana and Mississippi

By: /s/Christopher J. Steiskal, Sr.
CHRISTOPHER J. STEISKAL, SR.

CHRISTOPHER J. STEISKAL, SR. (MSB #101654)

TRIAL ATTORNEY

U.S. DEPARTMENT OF JUSTICE
OFFICE OF THE U.S. TRUSTEE, REGION 5
501 EAST COURT STREET, SUITE 6-430
JACKSON, MISSISSIPPI 39201
TEL: (601) 965-5241
FAX: (601) 965-5226
EMAIL: christopher.j.steiskal@usdoj.gov

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing pleading has been served on the below-named individual(s) this day via first class U.S. Mail at the address listed below or electronically served via the electronic mail address on file with the Court's CM/ECF system:

Craig M. Geno

DATED, this the 25th day of May, 2016.

/s/Christopher J. Steiskal, Sr.
CHRISTOPHER J. STEISKAL, SR.